

§ 599.402

(d) A completed Disposal Facility Certification Form (Appendix E to this part) for an individual transaction, which includes a certification by the disposal facility that the trade-in vehicle will be crushed or shredded within 180 days of receipt by the disposal facility, is deemed to be amended to include an extension of time such that the trade-in vehicle will be crushed or shredded within 270 days of receipt by the disposal facility.

[74 FR 37897, July 29, 2009, as amended at 75 FR 5251, Feb. 2, 2010]

§ 599.402 Requirements and limitations for salvage auctions that are consigned trade-in vehicles under the CARS program.

(a) The salvage auction must:

(1) Within 3 days after the date the dealer consigns the vehicle or prior to auctioning the vehicle, whichever is earlier, report the status of the vehicle to NMVTIS;

(2) Limit participation in the auction to disposal facilities that, when the auction is held:

(i) Appear on the list identified in § 599.201(a)(2) or are described in § 599.201(a)(3); and

(ii) Agree to make the certifications in the Salvage Auction Certification Form (Appendix F to this part).

(3) As a condition of transferring title to the disposal facility, obtain from that facility the signed Disposal Facility Certification Form (Appendix E to this part), insert on the top of the form the appropriate CARS invoice number received from the dealer, if known, and provide the form to NHTSA at disposal@cars.gov, and include that invoice number in the e-mail subject line.

(b) [Reserved]

§ 599.403 Requirements and limitations for dealers.

A dealer receiving a Disposal Facility Certification Form or Salvage Auction Certification Form under § 599.400(b)(2) or (c)(2) shall insert on the top of the form the appropriate CARS invoice number, if known, and within 7 days of receipt, submit such certification form to NHTSA at disposal@cars.gov.

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Subpart E—Enforcement

§ 599.500 Definitions.

As used in this subpart—

Administrator means the Administrator of the National Highway Traffic Safety Administration, or his or her designee.

Chief Counsel means the NHTSA Chief Counsel, or his or her designee.

Hearing Officer means a NHTSA employee who has been delegated the authority to assess civil penalties.

NHTSA Enforcement means the NHTSA Associate Administrator for Enforcement, or his or her designee.

Notice of violation means a notification of violation and preliminary assessment of penalty issued by the Chief Counsel to a party.

Party means the person alleged to have committed a violation of the CARS Act, regulations thereunder, or other applicable law, and includes an individual, a public or private corporation, and a partnership or other association.

Violation means any non-conformance with the CARS Act or the regulations in this part except § 599.200(e)(1)(i) and § 599.201(c)(1), the submission of incomplete or inaccurate information to NHTSA or an entity identified under this part, or the failure to maintain records, to permit access to records or to update information that has been submitted to NHTSA under this part, but does not include a clerical error. In the context of dealer registration and disposal facility or salvage auction participation eligibility, *violation* also includes any conviction of a crime involving motor vehicles or any fraud or financial crime under State or Federal law.

§ 599.501 Generally.

The provisions of 5 U.S.C. 554, 556 and 557 do not apply to any proceedings conducted pursuant to this subpart.

§ 599.502 Record retention.

(a) Manufacturers, dealers, salvage auctions, and disposal facilities shall keep records of all transactions under the CARS Act and regulations thereunder for a period of five calendar years from the date on which they were

generated or acquired by the manufacturer, salvage auction, dealer, or disposal facility, and shall promptly make those records available to NHTSA Enforcement or DOT's Office of the Inspector General upon request.

(b) Records to be retained under this subpart include all documentary materials and other information-storing media that contain information concerning transactions under the CARS Program, including any material generated or communicated by computer, electronic mail, or other electronic means. Such records include, but are not limited to, lists, compilations, certifications, dealer application information, salvage auction or disposal facility information, owner eligibility information, vehicle eligibility information (including vehicle fuel economy), dealer applications for reimbursement under the program, vehicle identification number data, vehicle ownership information, vehicle title, registration and insurance information, sales agreements, bills of sale, lease agreements, manufacturer's certificate or statement of origin, other rebate and/or incentive programs used in conjunction with transactions under the program, bank account and routing number information, electronic funds transfer and payment information, reports made to the National Motor Vehicle Title Information System (NMVTIS), reports regarding vehicle scrappage values and payment, reports in connection with the transfer of vehicles to salvage auctions and disposal facilities; reports from disposal facilities in connection with the crushing or shredding of vehicles under the program, and any other documents that are related to transactions.

(c) Duplicate copies need not be retained. Information may be reproduced or transferred from one storage medium to another (*e.g.*, from electronic format to CD-ROM) as long as no information is lost in the reproduction or transfer, and when so reproduced or transferred the original form may be treated as a duplicate.

§ 599.503 Access to records.

The Administrator shall have the right to enter onto the premises of manufacturers, dealers, salvage auc-

tions and disposal facilities during normal business hours in order to: access, inspect and audit records and other sources of information maintained by any of these entities under this Program; to inspect vehicles traded in or sold under this program, including taking all actions necessary to determine whether trade-in vehicles have operative engines; and/or to interview persons who may have relevant knowledge.

§ 599.504 Suspension, revocation, and reinstatement of registration and participation eligibility.

(a) *Suspension or revocation of dealer registration, or salvage auction or disposal facility participation eligibility.*

(1) When the NHTSA Chief Counsel determines that a violation has likely occurred, the Administrator may notify the dealer, salvage auction or disposal facility in writing of the facts giving rise to the allegation of a violation and the proposed length of a suspension, if applicable, or revocation of registration, in the case of a dealer, or participation eligibility in the case of a salvage auction or disposal facility.

(2) The notice shall afford the dealer, salvage auction or disposal facility an opportunity to present data, views, and arguments, in writing and/or in person, within 30 days of the date of the notice, as to whether the violation occurred, why its registration or participation eligibility ought not to be suspended or revoked, or whether the suspension should be shorter than proposed. The Administrator may, for good cause, reduce the time allowed for response.

(3) If the Administrator decides, on the basis of the available information, that the dealer, salvage auction or disposal facility has committed a violation, the Administrator may suspend or revoke the dealer registration or the participation eligibility of the salvage auction or disposal facility.

(4) The Administrator shall notify the dealer, salvage auction or disposal facility in writing of the decision, including the reasons for it. The decision shall reflect the gravity of the offense.

(5) A suspension or revocation is effective as of the date of the Administrator's written notification, unless another date is specified therein.